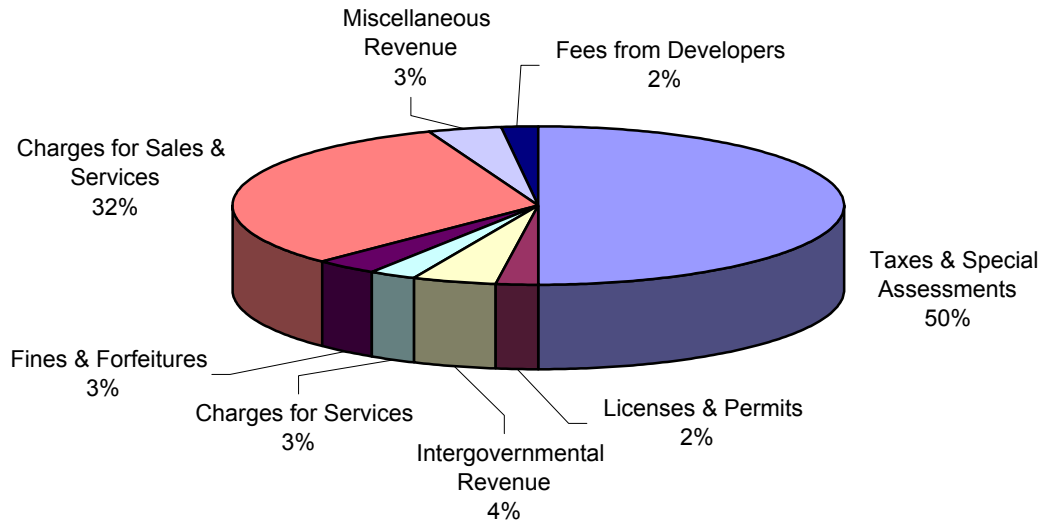
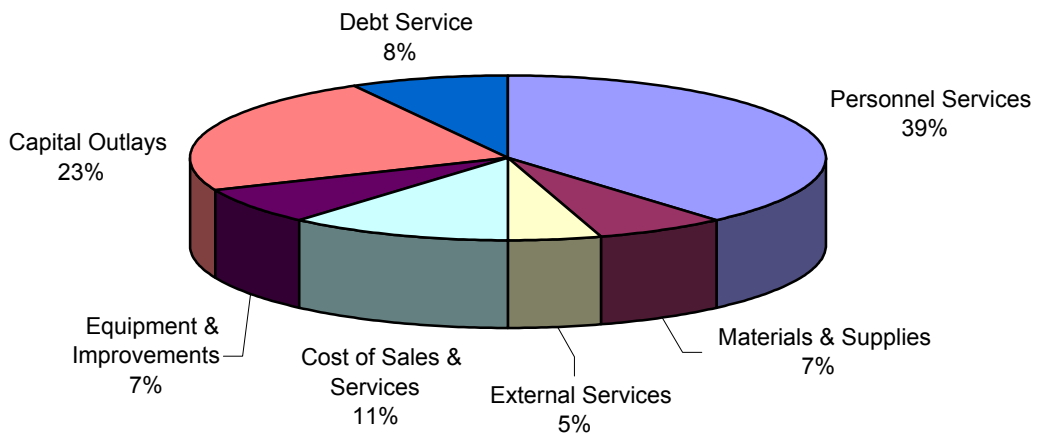


## **BUDGET SUMMARY**

## Consolidated Financing Sources FY 2007



## Consolidated Financing Uses FY 2007



**Budget Summary****Consolidated Budget**

<b>SUMMARY</b>	<b>2003 Actual</b>	<b>2004 Actual</b>	<b>2005 Actual</b>	<b>2006 Estimated</b>	<b>2007 Approved</b>
<b>Financing Sources:</b>					
Taxes & Special Assessments	\$ 31,962,359	\$ 33,739,283	\$ 36,265,653	\$ 37,742,555	\$ 41,063,297
Licenses & Permits	1,685,082	1,740,360	2,011,739	1,740,600	1,951,000
Intergovernmental Revenue	6,806,865	5,622,781	3,996,485	7,564,288	3,674,234
Charges for Services	1,647,526	2,060,400	2,122,465	1,983,629	2,073,649
Fines & Forfeitures	2,352,612	2,661,801	2,587,126	2,571,923	2,575,100
Charges for Sales & Services	21,503,356	22,818,132	22,507,581	24,643,764	26,154,139
Bond Proceeds	7,557,947	17,257,091	17,377,599	3,740,798	-
Miscellaneous Revenue	3,195,783	2,797,944	4,306,352	3,061,652	3,320,651
Fees from Developers	1,018,256	824,366	1,317,887	1,513,400	1,501,400
<b>Total Financing Sources</b>	<b>77,729,786</b>	<b>89,522,158</b>	<b>92,492,887</b>	<b>84,562,609</b>	<b>82,313,470</b>
<b>Financing Uses:</b>					
Personnel Services	29,783,456	30,092,348	30,247,038	32,950,503	34,727,470
Materials & Supplies	5,752,521	5,363,600	5,561,300	6,675,376	5,946,523
External Services	3,501,553	3,057,105	3,258,138	4,177,745	4,256,990
Cost of Sales & Services	8,017,626	8,602,105	8,160,888	10,046,445	10,219,179
Equipment & Improvements	1,168,105	1,586,195	1,978,288	5,773,040	6,361,806
Capital Outlays	27,851,630	19,273,734	12,013,517	44,879,771	20,949,350
Debt Service	8,386,979	8,642,709	10,187,026	8,585,214	7,232,809
Bond Refunding	4,640,703	10,260,000	15,120,000	3,650,000	-
<b>Total Financing Uses</b>	<b>89,102,573</b>	<b>86,877,796</b>	<b>86,526,195</b>	<b>116,738,094</b>	<b>89,694,127</b>
<b>Excess (Deficiency) of Financing Sources over Financing Uses</b>	<b>\$(11,372,787)</b>	<b>\$ 2,644,362</b>	<b>\$ 5,966,692</b>	<b>\$(32,175,485)</b>	<b>\$ (7,380,657)</b>

**Notes to the Consolidated Budget Schedule**

**Internal Services and Transfers** - The consolidated schedule attempts to eliminate double counting, and therefore it excludes internal services charges both as financing uses in the departments and as revenue in the internal service funds. By so doing, the costs of internal services such as fleet, information services, and risk management are broken out into individual components such as personnel, materials & supplies, capital outlays, etc. The consolidated schedule also excludes all interfund transfers.

**Capital Outlays** - The capital outlays line includes all operating and non-operating capital outlays as well as all capitalized labor, materials, and supplies. As a result, the personnel services line includes all salary and benefit costs except those that have been capitalized which are \$1,088,214 for FY 2007. Capitalized material and supplies total \$35,100. Capitalized internal services are omitted to avoid double counting.

**Capital Carryovers** - Each year, any unspent appropriation for capital projects is reappropriated in the next year. The City Council holds a public hearing before approving these carryovers in a meeting usually scheduled at the beginning of October. The FY 2006 estimated column is the FY 2006 budget plus any revisions made during the year including the capital project carryovers. The \$44,879,771 shown on the capital outlay line for FY 2006 includes \$28,593,623 that was reappropriated from the prior year. At the close of FY 2006, any remaining appropriation will be reappropriated in FY 2007.

**Debt Service** - The FY 2007 debt service line includes \$3,249,811 used to retire the current debt.

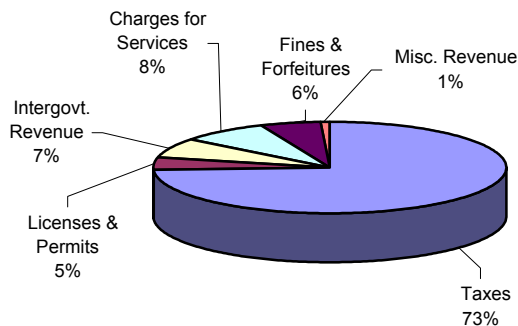
**Excess/Deficiency** - The line item labeled "Excess (Deficiency) of Financing Sources over Financing Uses" represents a budgeted increase in fund balance in the case of excesses and usage of beginning fund balance in the case of a deficiency. As explained above, the FY 2006 deficit is attributable to the capital projects carryover which is essentially the usage of beginning fund balance.

# Budget Summary

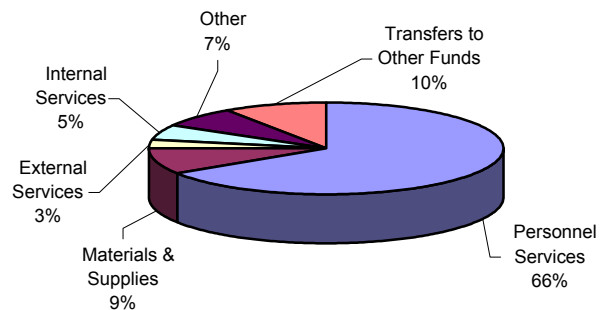
# Fund 1 - General

Summary	2003 Actual	2004 Actual	2005 Actual	2006 Estimated	2007 Approved
<b>Financing Sources:</b>					
Taxes	\$ 26,565,981	\$ 27,834,824	\$ 30,042,946	\$ 31,297,229	\$ 32,145,366
Licenses & Permits	1,685,082	1,740,360	2,011,739	2,177,355	1,951,000
Intergovernmental Revenue	3,139,964	3,557,151	3,051,028	3,515,604	2,925,033
Charges for Services	2,388,456	2,774,917	3,195,622	3,278,485	3,510,577
Fines & Forfeitures	2,221,644	2,500,242	2,299,500	2,396,524	2,400,100
Miscellaneous Revenue	130,643	77,853	142,957	428,585	364,983
Transfers In From Other Funds	950,936	54,746	40,000	40,000	40,000
<b>Total Financing Sources</b>	<b>37,082,706</b>	<b>38,540,093</b>	<b>40,783,792</b>	<b>43,133,782</b>	<b>43,337,059</b>
<b>Financing Uses:</b>					
Personnel Services	23,894,657	24,366,486	24,680,601	26,993,406	28,267,159
Materials & Supplies	4,140,426	4,021,426	4,164,449	4,767,287	3,948,408
External Services	1,128,292	1,177,037	1,114,383	1,403,803	1,302,397
Internal Services	3,404,457	3,494,446	3,354,282	3,482,716	2,325,483
Grants	36,101	37,989	21,877	29,000	23,000
Equipment & Improvements	239,676	591,897	382,119	154,663	138,409
Contingency	-	-	-	122,000	122,000
Capitalized Internal Services	-	-	-	-	1,344,404
Capital Outlays	-	-	-	20,000	1,370,617
Transfers to Other Funds	4,088,483	4,785,812	7,066,081	5,721,474	4,110,651
<b>Total Financing Uses</b>	<b>36,932,092</b>	<b>38,475,093</b>	<b>40,783,792</b>	<b>42,694,349</b>	<b>42,952,528</b>
<b>Excess (Deficiency) of Financing Sources over Financing Uses</b>	<b>150,614</b>	<b>65,000</b>	<b>-</b>	<b>439,433</b>	<b>384,531</b>
<b>Fund Balance - Beginning</b>	<b>3,939,277</b>	<b>4,089,891</b>	<b>4,154,891</b>	<b>4,154,891</b>	<b>4,594,324</b>
<b>Fund Balance - Ending</b>	<b>\$ 4,089,891</b>	<b>\$ 4,154,891</b>	<b>\$ 4,154,891</b>	<b>\$ 4,594,324</b>	<b>\$ 4,978,855</b>

## Financing Sources



## Financing Uses



# Budget Summary

# Fund 1 - General

Financing Sources	2003 Actual	2004 Actual	2005 Actual	2006 Estimated	2007 Approved
<b>Taxes &amp; Special Assessments</b>					
3111 General Property Taxes	\$ 6,778,103	\$ 7,103,637	\$ 7,082,393	\$ 6,966,021	\$ 7,050,800
3112 General Sales & Use Taxes	14,569,744	15,161,445	15,857,517	17,040,704	17,624,000
3113 Franchise Taxes	4,299,404	4,688,366	6,284,131	6,491,550	6,745,666
3115 Motor Vehicle Fee	918,730	881,376	818,905	798,954	724,900
<b>Licenses &amp; Permits</b>					
3121 Business Licenses & Permits	631,580	689,484	768,170	821,652	825,000
3122 Building Permits	953,896	974,642	1,158,167	1,285,491	1,052,400
3123 Dog Licenses	32,137	37,678	36,801	40,430	38,600
3124 Road Cut Permits	67,469	38,556	48,601	29,782	35,000
<b>Intergovernmental Revenue</b>					
3131 Federal Grants	77,752	200,451	129,465	125,000	10,713
3132 State Grants	3,053,892	3,323,182	2,908,921	3,370,284	2,873,000
3133 County Grants	8,320	8,320	8,320	8,320	8,320
3134 Local Grants	-	25,198	4,322	12,000	33,000
<b>Charges for Services</b>					
3141 Administrative Charges	1,033,484	1,151,671	1,344,587	1,520,720	1,705,077
3142 Public Safety Fees	1,073,155	1,346,756	1,428,966	1,397,755	1,461,700
3143 Public Works Fees	3,466	6,241	10,382	11,530	8,000
3144 Parks & Cemetery Fees	78,425	98,807	116,309	138,931	132,800
3145 Community Development Fees	158,598	134,052	257,202	164,760	158,000
3149 Other Services & Fees	41,328	37,390	38,176	44,789	45,000
<b>Fines &amp; Forfeitures</b>					
3151 Court Fines	2,197,946	2,473,626	2,270,824	2,252,690	2,254,000
3152 Dog Fines	23,698	26,616	28,676	29,591	30,100
3153 Court Surcharge	-	-	-	114,243	116,000
<b>Miscellaneous Revenue</b>					
3161 Interest Income	104,687	46,483	114,103	242,667	221,291
3162 Cell Tower Leases	-	-	-	160,521	124,892
3169 Sundry	25,956	31,370	28,854	25,397	18,800
<b>Transfers In From Other Funds</b>					
3412 Transfer In-Special Rev. Funds	-	-	40,000	40,000	40,000
3414 Transfer In-Capital Proj. Funds	950,936	54,746	-	-	-
<b>Total Financing Sources</b>	<b>\$ 37,082,706</b>	<b>\$ 38,540,093</b>	<b>\$ 40,783,792</b>	<b>\$ 43,133,782</b>	<b>\$ 43,337,059</b>

Transfers to Other Funds	2003 Actual	2004 Actual	2005 Actual	2006 Estimated	2007 Approved
44125 Community Events & Arts Fund	\$ 413,093	\$ 303,099	\$ 304,201	\$ 332,750	\$ 359,089
44126 Amphitheater Fund	-	107,800	108,079	107,800	127,800
4413101 Court Building Bond	-	-	303,670	300,249	253,359
4413102 City Hall Bonds	492,077	481,717	474,178	482,140	446,761
4413105 Fire Station Bonds	138,079	137,663	137,158	136,123	-
4413106 Innkeeper Bonds	22,149	-	328,139	-	-
4413107 Equipment Lease	185,189	-	-	-	-
4413108 Road Bonds	783,320	766,605	797,861	796,712	110,443
44141 Capital Projects-General Rev. Fund	933,500	1,804,971	3,541,736	1,991,783	1,008,947
44146 Capital Projects-State Road Fund	379,141	416,442	298,408	754,799	964,870
44153 Electric Utility Fund	554,628	549,654	549,654	596,121	580,234
44154 Recreation Fund	187,307	217,861	222,997	222,997	259,148
<b>Total Transfers to Other Funds</b>	<b>\$ 4,088,483</b>	<b>\$ 4,785,812</b>	<b>\$ 7,066,081</b>	<b>\$ 5,721,474</b>	<b>\$ 4,110,651</b>

## GOALS & OBJECTIVES

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Sandy City has adopted the following mission statement:

*“Working together to enhance the quality of life in our community”*

Consistent with that mission, the FY 2006-07 budget process began by considering some important input and establishing some goals. In January 2006, the Mayor and City Council held a planning retreat from which emerged the following eight areas of major focus:

- Maintain and improve basic core municipal services.
- Maintain integrity of residential neighborhoods and preserve property values.
- Preserve and improve public infrastructure and transportation systems.
- Preserve existing and expand additional retail and clean commercial businesses.
- Develop and improve the city’s recreational trails and increase recreational opportunities.
- Develop community arts and facilities.
- Strengthen communications with citizens, businesses, and other institutions.
- Maintain a highly qualified employee work force.

Many of these focus areas are consistent with those that emerged from planning sessions held in April 2002 and again in April 2004 from which earlier goals were established and progress made.

Annually in December, the city has conducted a citizen survey through an independent pollster. Previous surveys were conducted by Dan Jones and Associates. A survey was not conducted in December 2005 but current plans include conducting a survey in December 2006 and biannually thereafter. The results provide valuable feedback on current operations and input on the policy direction of the city. Selected results from the survey are included in this book.

Finally, each January the Mayor’s cabinet holds a budget retreat. In addition to the above input, presentations are made about pending legislation, the Mayor’s vision, preliminary revenue estimates, compensation issues, and each department’s budget issues.

After the retreat, the budget staff consolidated the information into a list of budget goals and initiatives for the FY 2007 budget. This section includes those goals and initiatives and a summary of questions from the citizen survey about the overall direction of the city and citizen priorities.

### FY 2006-07 BUDGET GOALS AND INITIATIVES

- **Continue the tradition of excellent core services, financial stability, and lean operations.**
  - Continue to provide the core services of police, fire, roads, etc. at current service levels considering increases in cases where current services levels are jeopardized.
  - Maintain current tax rates.
  - Adjust user fees only as justified by cost increases that otherwise would require subsidization with tax revenue.
  - Consider the recommendations of the business license fee study currently under way.
  - Avoid rapid on-going growth by funding one-time needs with current on-going money.
  - Continue to set aside money in fund balance for financial security.
  - Limit adding new employees in favor of taking care of current employees.
    - Address issues identified by the salary survey.
    - Address benefit issues such as retirement and health insurance.
    - Provide a general comp plan for all employees.
  - Develop formal mechanisms to provide for key staff knowledge transfer.

- **Continue economic development efforts sufficient to provide adequate commercial amenities and an adequate tax base.**
  - Prepare a new economic development plan.
  - Identify future RDA/EDA areas.
  - Prepare a capital improvement plan for existing RDA/EDA project areas.
  - Assist older established commercial centers to revive and grow their businesses with priority given to vacant buildings.
- **Preserve the neighborhoods as attractive and inviting places to live.**
  - Strengthen code compliance with priority to programs that stress voluntary compliance over regulatory enforcement.
  - Continue the neighborhood preservation initiative.
  - Provide funding for homeowners of limited income to make home repairs.
- **Keep traffic moving smoothly and safely and roads/sidewalks in good repair.**
  - Continue the street maintenance/replacement program.
  - Enforce traffic laws for safe travel and safe neighborhoods.
  - Continue the sidewalk maintenance/replacement program with priority given to hazardous sidewalks and sidewalk linkage (small links of missing sidewalks).
  - Update transportation element of the master plan.
  - Continue road/traffic calming efforts including “Radar Monitors.”
  - Improve traffic flow/safety in residential and commercial areas with priority to traffic signalization.
  - Study alternate transportation needs including walkable neighborhoods, bicycle friendly, senior transportation, and shuttle service.
- **Provide park and green spaces for recreational activities and to beautify the city.**
  - Develop a neighborhood park and open space at the gravel pit and amphitheater sites.
  - Maintain/renovate existing parks and facilities.
  - Continue to implement the trails master plan with priority given to trails that link neighborhoods; link the Bonneville and Jordan River Trails; connect neighborhoods to commercial centers; and to cycling trails.
  - Implement landscape improvements at the 90<sup>th</sup> South freeway interchange.
- **Secure a supply of quality water adequate to satisfy needs for generations to come.**
  - Continue to implement the water master plan.
  - Continue to secure irrigation water rights when available and preserve our right to Utah Lake System water.
- **Protect homes and businesses from flooding caused by storms.**
  - Continue to implement the storm water master plan with priority given to a detention basin at the gravel pit.
  - Consider an additional crew and truck to keep storm lines clear of debris.
- **Help make streets and neighborhoods safe through adequate street lighting.**
  - Add needed lighting to portions of State Street, 7<sup>th</sup> East, Wasatch Boulevard, and Historic Sandy.
- **Maintain/build city facilities that are assets to the community and employees.**
  - Fund the renovation or replacement of Fire Station 32.
  - Determine when and where to replace the Parks & Recreation facility.
  - Seek funding for a Community Center/Children’s Theater/Performing Arts Center.
  - Seek funding for a Boys and Girls Club building.
  - Work with Salt Lake County to expand the Sandy Library.
  - Plan for the eventual replacement of the Public Works facility.
  - Evaluate Public Utilities facilities particularly the 1220 East site.
- **Improve the city’s ability to educate and communicate with citizens and constituency.**
  - Educate residents on ways to maintain healthy and attractive neighborhoods including such initiatives as Healthy Sandy, Sandy Pride, and spring/fall cleanup.
  - Improve the city website, newsletter, and e-government/bill pay services.

- Formulate a communications plan after evaluating options such as branding, community TV, town meetings, community coordinators, etc.

## CITIZEN PRIORITIES

The following is a summary of responses to questions about the overall directions of the city and citizen prioritization of issues facing the city. Only issues and improvements that received a response rate of 2% or greater are included. Additionally, other data from the survey is included throughout this book in the departmental sections.

In the FY 2005 survey, citizens refer specifically to an issue with Wal-Mart and the gravel pit for the first time. The survey was conducted in December 2004 at the same time that a proposal was made to develop a gravel pit located between 9000 and 9400 South and between 900 and 1100 East. The proposed Quarry Bend development included a Wal-Mart, a Lowe's, and other mixed retail and residential uses. In order for the development to proceed, the City Council needed to approve a zoning modification. The approval process resulted in considerable public discussion which is reflected in the FY 2005 survey.

Measure (Fiscal Year)	2002	2003	2004	2005	2006
<b>What is the one major improvement that you would like to see in the next five years that would make living in Sandy City better for you?</b>					
Road improvement	12%	11%	12%	13%	N/A
More parks / open space / recreation	7%	7%	6%	10%	N/A
Better traffic control	5%	8%	10%	9%	N/A
Lower taxes	7%	7%	7%	6%	N/A
Do not want Wal-Mart / big box store	--	--	--	6%	N/A
More business / grocery stores	2%	2%	2%	3%	N/A
Put park in gravel pit (Quarry Bend)	--	--	--	3%	N/A
Want Wal-Mart / big box store	--	--	--	2%	N/A
Better police protection / more police	6%	3%	5%	2%	N/A
On/off ramps on I-15 / better freeway access	2%	2%	3%	2%	N/A
Clean up city / junk cars / trash	--	--	3%	2%	N/A
More schools / money to schools / school issues	2%	4%	2%	2%	N/A
More street lights / finish lighting	3%	2%	2%	2%	N/A
Bike / running / walking paths	--	1%	1%	2%	N/A
Better planning / zoning / zoning issues	--	--	--	2%	N/A
Less building / stop building / retail / strip malls	1%	2%	1%	2%	N/A
<b>What would you consider to be the most important issue facing Sandy City today?</b>					
Growth / increased population	33%	27%	29%	20%	N/A
Wal-Mart	--	--	--	10%	N/A
Gravel Pit	--	--	--	8%	N/A
Schools / education	7%	9%	8%	7%	N/A
Traffic / traffic lights	2%	5%	5%	6%	N/A
Taxes / high taxes	5%	8%	4%	4%	N/A
Crime / gangs / drugs	7%	7%	12%	4%	N/A
Development / over-development / building	3%	2%	3%	4%	N/A
We need more businesses / tax base	3%	1%	1%	3%	N/A
Open space	--	--	--	3%	N/A
Public Safety	--	--	--	3%	N/A
Government issues / city hall / politician issues	--	1%	1%	3%	N/A
Economic problems	--	1%	<1%	2%	N/A



**Sandy City's mission statement is "Working together to enhance the quality of life in our community." As you think about this mission statement, how would you personally define quality of life? What makes a good quality of life for you and your family?**

Safety / no fear of crime / safe secure environment	56%	55%	55%	55%	N/A
Clean / well kept up / aesthetically pleasing	3%	2%	5%	5%	N/A
Peace and quiet / peace of mind	2%	4%	3%	4%	N/A
Good neighbors / friendly / care for each other	3%	3%	3%	4%	N/A
Freedom / able to come and go as we need to	6%	3%	3%	3%	N/A
Excellent services / affordable services	3%	4%	2%	3%	N/A
It is good now	--	--	--	3%	N/A
Good schools / educational opportunities	3%	2%	1%	2%	N/A
Community spirit / togetherness	--	--	--	2%	N/A

**What is the major improvement, if any, that you have seen occur in Sandy City over the past five years?**

Road improvement / streets	16%	13%	13%	15%	N/A
Shopping / business growth	19%	14%	17%	12%	N/A
Street lights	17%	17%	11%	8%	N/A
Parks / more parks / recreation	6%	6%	5%	7%	N/A
None / no change / no improvements	3%	5%	4%	7%	N/A
Law enforcement / police protection	5%	5%	2%	4%	N/A
Development	2%	2%	3%	3%	N/A
Outdoor amphitheater	3%	3%	5%	2%	N/A
Cleaner city / beautification / landscaping	3%	2%	4%	2%	N/A
Population growth / managed growth	1%	3%	2%	2%	N/A
City Hall / government facility	1%	1%	2%	2%	N/A
City services (fire / snow removal / etc.)	2%	1%	2%	2%	N/A
Garbage / trash pickup / recycling	1%	<1%	1%	2%	N/A
Improved infrastructure	--	--	--	2%	N/A

## **GUIDING FINANCIAL PRINCIPLES**

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While the city's long-term goals and objectives guide what the budget accomplish, how that is accomplished is based on the following guiding principals:

- Sandy City exists only to serve the needs of its citizens. Since these needs are continuing and changing, the city should consistently receive citizen feedback based on both long-term and current needs.
- Sandy City should strive for economy, efficiency, and effectiveness in providing basic services. Thus, these services should not cost more than similar services provided by private industry.
- Sandy City should strive for generational fairness. Thus, each generation of taxpayers should pay its own fair share of the long-range cost of these city services.
- Sandy City should finance services rendered to the general public such as police, fire, streets, and parks, from revenues imposed on the general public, such as property and sales taxes. Special services rendered to specific groups of citizens should be financed by user fees, impact fees, license and permit fees, or special assessments.
- Sandy City should balance all budgets annually, in accordance with the requirements of Utah Law.
- Sandy City should allow for a reasonable surplus (fund balance) to accumulate for the following purposes:
  - To provide sufficient working capital.
  - To provide a cushion to absorb emergencies such as floods, earthquakes, etc.
  - To provide for unavoidable shortfalls in revenues.

The city has adopted specific policies based on these guiding principles by which it conducts its financial affairs. These policies are stated in the sections that follow on the budget process, the financial structure, revenue, debt, and capital projects.

# BUDGET PROCESS

## BUDGET ROLES AND RESPONSIBILITIES

**Sandy City Citizens** – The citizens’ role is to provide feedback to the elected officials about the level of service they desire and about how satisfied they are with the services provided. They do this by participating in public hearings, contacting City Hall or by responding to the annual citizens’ survey.

**The City Council** – The Council’s role is to provide policy direction to the Mayor, City Administrator, Department Heads, and Budget Staff. Council members should also facilitate citizen input by holding public hearings on the tentatively adopted budget. They receive a tentative budget from the Mayor on or before the first regularly scheduled meeting in May. They discuss the budget with each department and determine any changes that they wish to make. They legally adopt the final budget on or before June 22. However, if there is a change to the certified tax rate, the final budget can be adopted as late as August 17.

**The Mayor** – The Mayor’s role is to prepare and present a tentative budget to the City Council for their review, consideration, and adoption.

## BUDGET CALENDAR 2006 - 2007

ID	Responsible Party	Finish	Jan 2006				Feb 2006				Mar 2006				Apr 2006				May 2006				Jun 2006				Jul 2006					
			1/1	1/8	1/15	1/22	1/29	2/5	2/12	2/19	2/26	3/5	3/12	3/19	3/26	4/2	4/9	4/16	4/23	4/30	5/7	5/14	5/21	5/28	6/4	6/11	6/18	6/25	7/2	7/9	7/16	7/23
1	Mayor / Budget Committee	1/16/2006	Budget Preparation Guidelines																													
2	Department Heads	1/17/2006	Cabinet Budget Retreat																													
3	Budget Committee	1/31/2006	Budget Overview with City Council																													
4	Department Heads	2/20/2006	Finalize Internal Service																													
5	Personnel	1/30/2006	Position Control Report																													
6	Department Heads	2/6/2006	Submit Capital Project/One Time																													
7	Department Heads	1/30/2006	Estimate Restricted Revenues																													
8	City Treasurer	1/30/2006	Develop Fee Schedule																													
9	Finance Director	2/10/2006	Report to County - Public Hearing Tax Increase Intent																													
10	Budget Committee	2/21/2006	Review Capital Projects One Time Proposals																													
11	Personnel	2/28/2006	Personnel Service Costs																													
12	Department Heads, Budget Committee, City Council	3/17/2006	Develop Compensation Plan																													
13	Finance Director	2/28/2006	Estimate General Revenues																													
14	Department Heads	3/20/2006	Departments Submit Tentative Budget																													
15	Mayor, CAO, Budget Committee, Departments	5/2/2006	Review, Balance, Finalize Mayor's Tentative Budget																													
16	Mayor, City Council	5/2/2006	Present, Adopt Tentative Budget, Establish Hearings/Publication of Notice																													
17	City Recorder	5/4/2006	Notice/Public Hearings for all Budgets incl. Alta Canyon/RDA																													
18	City Council	5/30/2006	Budget Public Hearings																													
19	City Council	6/6/2006	Adopt Approved Budget																													

***The Chief Administrative Officer*** – The CAO’s role is to oversee the budget process as the city’s Chief Budget Officer, making sure the budget is balanced and that expenditures are within projected revenues. The CAO prepares a tentative budget with the Mayor’s approval which is presented to the City Council on or before the first regularly scheduled meeting in May. The Chief Administrative Officer also holds departments accountable for expenditures, making sure they are within departmental budget appropriations.

***The Department Heads*** – The department heads’ role is to prepare a budget request based on available revenue and the policy direction they have been given. Department heads are also responsible for making sure their department’s expenditures are within budget appropriations.

***The Budget Staff*** – The budget staff’s role is to prepare the tentative and final budget document under the direction of the Mayor and the Chief Administrative Officer. The staff members also review departmental budget requests and available resources and make recommendations for balancing the tentative budget.

## **BUDGET AMENDMENTS AND MANAGEMENT**

Once adopted, the budget can be amended by subsequent City Council action. Reductions in or reallocations of departmental appropriations can be approved by the City Council upon recommendation of the Budget Officer, but appropriations can not be increased in a governmental fund without a public hearing. Transfers of unexpended appropriations from one expenditure account to another in the same department can be made with the approval of the Budget Officer.

The Finance Department prepares and distributes a monthly budget report by the 10<sup>th</sup> day of the following month. Recipients of the report include the Mayor, City Council, Chief Administrative Officer, and all managers with budget responsibilities. The report mirrors the financial schedules contained in this budget book and includes current month expenditures, year to date expenditures, encumbrances, year to date budget, year to date variances, the annual budget, and the remaining budget.

As determined by Utah State law, the level for which expenditures may not legally exceed appropriations is the departmental budget within a given fund. The City Council also requires approval for any expenditure exceeding appropriations at the project level for all capital projects. All unexpended budget appropriations lapse at the end of the budget year. However, unexpended Capital Projects Fund appropriations may be reappropriated by a resolution of the City Council without holding public hearings.

## FINANCIAL STRUCTURE

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The various funds used for accounting and reporting purposes are the foundation of the city's financial structure. In a like manner, the various departments within the city are the backbone of city operations. The city's departments are groups of similar functions or programs which provide for efficient management. They also provide a framework for the budget which is conceptually easier to understand. Furthermore, the total appropriation for each department within a given fund is the legal spending limit specified by state law. The budget process starts with citywide issues but much of the work involves meeting with one department at a time both for the administration and the council. As a result, most of this book consists of departmental sections with the detail of the budget. Each department brings a draft of its section to the first budget hearing. That draft is reviewed and refined through each step of the process until it appears in its final adopted form in this book.

The schedule on page 19 illustrates the relationship between the city's financial structure and the functional units. The financial structure is shown with the major funds in separate columns and the functional units shown as departments in separate rows. Each department listed corresponds to a separate section of this budget book which provides detailed schedules and analysis. Also shown in the schedule is a breakdown of the major revenue sources by fund. The revenue and taxation section starting on page 21 provides further information on these revenue sources.

A brief narrative description of the funds that make up the city's financial structure follows:

### DESCRIPTION OF FUNDS

***The Governmental Funds*** include those activities that comprise the city's basic services. They account for essentially the same functions reported as governmental activities in the government-wide financial statements. The major governmental funds are listed separately below and the non-major funds are consolidated:

***The General Fund*** is the government's primary operating fund. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund.

***The Storm Water Fund*** accounts for the city's revenues and capital expenditures associated with drainage for storm water run off.

***The Debt Service Funds*** are used to account for the accumulation of resources for payment of general long-term debt principal and interest and special assessment levies when the city is obligated in some manner for the payment. The city's debt service funds include the General Purposes Debt Service Fund, the Auto Mall Special Improvement District Fund, and the Special Improvement Guarantee Fund. Debt incurred by enterprise funds is not accounted for in the debt service funds but internally within the enterprise fund.

***The Capital Projects Fund*** accounts for the resources used to acquire, construct, and improve major capital facilities, other than those financed by proprietary funds. The principal source of funding is contributions from developers restricted for capital construction, operating transfers from the General Fund, grants, and bond proceeds. All funds received for a particular purpose are restricted and used specifically for that purpose.

***Other Governmental Funds*** include the non-major funds which are the following: the Redevelopment Agency, the Landscape Maintenance Fund, the Community Development Block Grant (CDBG), the Recreation Fund, Community Events, the Amphitheater, the Electric Utility, and the General Trust Fund. Though combined for purposes of this schedule, additional information is available for each fund elsewhere in this book (see the table of contents).

**The Internal Service Funds** account for the financing of goods or services provided by one department or agency to other departments or agencies of the city on a cost reimbursement basis. The Internal Service Funds include the Fleet Fund, the Information Services Fund, the Risk Management Fund, the Equipment Management Fund, and the Payroll Management Fund.

**The Enterprise Funds** include those activities that operate similar to a private business and charge a fee to the users which is adequate to cover most or all of the costs. These functions are presented as business-type activities in the government-wide financial statements. The city reports the following enterprise funds:

**The Alta Canyon Sports Center Fund** accounts for the activities created by the Alta Canyon Recreation Special Service District.

**The Water Fund** is used to account for the operations of the city's water utility.

**The Waste Fund** accounts for waste collection services provided by an independent contractor.

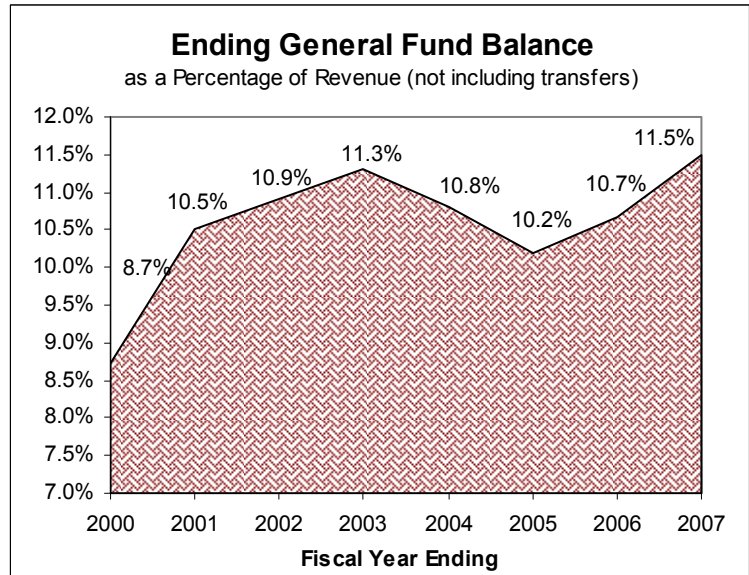
**The Golf Fund** is used to account for the city's golf course.

## FUND BALANCE AND RESERVES

Utah state law allows cities to accumulate retained earnings or fund balances as appropriate in any fund (see U.C.A. 10-6-116). However, the law restricts balances in the general fund as follows: (1) Any fund balance less than 5% of estimated revenue may be used for working capital, certain emergency expenditures, or to cover an unexpected revenue shortfall that would result in a year-end excess of expenditures over revenues; (2) Fund balance greater than 5% but less than 18% may be used for budget purposes; and (3) Any fund balance in excess of 18% must be included in the appropriations of the next fiscal year.

Sandy City accumulates fund balances in its various funds for the following purposes:

- To avoid short-term debt that might be needed to provide working capital.
- To meet unexpected expenditures as the result of an emergency.
- To secure the city's debt and its bond rating.
- To accumulate funding for planned capital expenditures including the replacement of capital assets.
- To meet reserve requirements for liabilities already incurred but not yet paid as is the case with the Risk Management Fund.



All excess funds are invested consistent with the State Money Management Act. The resultant interest income is used as an additional revenue source in each fund. The schedule on page 19 summarizes the beginning and ending fund balances in the various funds of the city. The chart above shows the history of fund balance in the general fund. While fund balance in the general fund increased, the schedule on page 19 shows a decrease in the other funds. An explanation is warranted. The primary reason is the way we account for capital projects. For example, the \$3,680,996 shown as beginning fund balance in the capital projects fund is surplus money transferred from the general fund at the end of each fiscal year and excess interest income in the capital projects fund. This money is intended to be the core funding for the capital

# SANDY CITY APPROVED BUDGETS FOR MAJOR FUNDS - FY 2007

	Governmental Funds					Governmental Activities - Internal Service Funds	Enterprise Funds				Total*
	General Fund	Storm Water	Debt Service	Capital Projects	Other Governmental Funds		Alta Canyon Sports Ctr	Water	Waste Collection	Golf	
<b>Financing Sources:</b>											
Taxes & Special Assessments											
Property Tax	\$ 7,050,800	\$ -	\$ 282,464	\$ -	\$ -	\$ 376,619	\$ 352,156	\$ -	\$ -	\$ -	\$ 8,062,039
Property Tax - Increment	-	-	-	-	7,650,000	-	-	-	-	-	7,650,000
Sales Tax	17,624,000	-	-	-	-	-	-	-	-	-	17,624,000
Franchise Tax	6,745,666	-	-	-	-	-	-	-	-	-	6,745,666
Motor Vehicle Fee	724,900	-	-	-	-	-	37,475	-	-	-	762,375
Other Taxes & Assessments	-	-	1,131,439	-	3,190	-	-	-	-	-	1,134,629
Licenses & Permits	1,951,000	-	-	-	-	-	-	-	-	-	1,951,000
Intergovernmental Revenue											
State Road Funds	2,873,000	-	-	-	-	-	-	-	-	-	2,873,000
Other Intergovernmental	52,033	-	-	300,000	404,201	-	-	-	-	-	756,234
Charges for Services	3,510,577	-	267,000	-	-	1,149	-	-	-	-	3,778,726
Fines & Forfeitures	2,400,100	-	-	175,000	-	-	-	-	-	-	2,575,100
Charges for Sales & Services	-	2,870,257	-	-	685,200	6,283,290	617,291	17,489,420	3,714,146	1,250,100	32,909,704
Miscellaneous Revenue	364,983	180,500	121,484	461,308	195,505	511,679	32,215	580,786	21,554	-	2,470,014
Fees from Developers	-	450,000	-	560,100	-	-	-	443,300	-	-	1,453,400
Transfers in From Other Funds	40,000	40,000	4,026,409	3,007,492	1,326,271	-	-	-	-	150,000	8,590,172
<b>Total Financing Sources</b>	<b>43,337,059</b>	<b>3,540,757</b>	<b>5,828,796</b>	<b>4,503,900</b>	<b>10,264,367</b>	<b>7,172,737</b>	<b>1,039,137</b>	<b>18,513,506</b>	<b>3,735,700</b>	<b>1,400,100</b>	<b>99,336,059</b>
<b>Financing Uses:</b>											
Administration	4,099,326	-	-	333,000	964,379	1,445,154	-	-	-	-	6,841,859
City Council	546,618	-	-	-	-	-	-	-	-	-	546,618
Attorney	1,131,805	-	-	-	-	-	-	-	-	-	1,131,805
Finance & Information Svcs	1,645,714	-	-	-	-	1,220,839	-	-	-	-	2,866,553
Police	12,099,189	-	-	-	-	-	-	-	-	-	12,099,189
Fire	6,705,699	-	-	774,434	-	-	-	-	-	-	7,480,133
Public Works	5,902,582	-	-	5,032,866	-	4,027,763	-	-	3,735,700	-	18,698,911
Parks & Recreation	3,334,425	-	-	1,641,596	1,109,667	-	1,051,482	-	-	1,686,306	8,823,476
Community Development	2,135,867	-	-	25,000	165,925	-	-	-	-	-	2,326,792
Public Utilities	-	2,616,161	-	-	640,234	-	-	18,513,506	-	-	21,769,901
Economic Development	-	-	-	-	6,681,059	-	-	-	-	-	6,681,059
Non-Departmental	1,240,652	-	5,763,170	78,000	611,400	357,988	-	-	-	-	8,051,210
Transfers out to Other Funds	4,110,651	924,596	470,406	300,000	2,104,570	192,236	-	-	-	-	8,102,459
<b>Total Financing Uses</b>	<b>42,952,528</b>	<b>3,540,757</b>	<b>6,233,576</b>	<b>8,184,896</b>	<b>12,277,234</b>	<b>7,243,980</b>	<b>1,051,482</b>	<b>18,513,506</b>	<b>3,735,700</b>	<b>1,686,306</b>	<b>105,419,965</b>
<b>Excess (Deficiency) of Financing Sources over Financing Uses</b>	<b>384,531</b>	<b>-</b>	<b>(404,780)</b>	<b>(3,680,996)</b>	<b>(2,012,867)</b>	<b>(71,243)</b>	<b>(12,345)</b>	<b>-</b>	<b>-</b>	<b>(286,206)</b>	<b>(6,083,906)</b>
<b>Fund Balance - Beginning</b>	<b>4,594,324</b>	<b>1,218,736</b>	<b>2,895,266</b>	<b>3,680,996</b>	<b>2,861,436</b>	<b>7,853,601</b>	<b>109,694</b>	<b>3,229,546</b>	<b>606,560</b>	<b>650,008</b>	<b>27,700,167</b>
<b>Fund Balance - Ending</b>	<b>\$ 4,978,855</b>	<b>\$ 1,218,736</b>	<b>\$ 2,490,486</b>	<b>\$ -</b>	<b>\$ 848,569</b>	<b>\$ 7,782,358</b>	<b>\$ 97,349</b>	<b>\$ 3,229,546</b>	<b>\$ 606,560</b>	<b>\$ 363,802</b>	<b>\$ 21,616,261</b>

\* This total is an aggregate of the fund structure of the city. Thus, the total listed here will be greater than the total on page 7 for reasons noted in Notes to Consolidated Budget Schedule on that same page.

projects program which means that the goal is for the ending fund balance to always be zero. Likewise, the beginning fund balance in the "Other Governmental Funds" column primarily consists of the estimated surplus in the redevelopment and landscape maintenance funds at the end of FY 2006. The surplus money is reappropriated in the FY 2007 budget to bring the fund balance in these funds to zero.

The \$848,569 remaining is in the community events, amphitheater, recreation, and electric utility funds. The decrease in fund balance in the debt service fund is due to a transfer of excess money to the capital projects fund. The Alta Canyon and golf funds also show a significant decrease in fund balance which is explained in footnote 3 on page 165 and footnote 2 on page 170.

## **BASIS OF BUDGETING**

Basis of budgeting refers to when revenues or expenditures are recognized in the accounts and reported in the financial statements. Basis of budgeting relates to the timing of the measurements made, regardless of the measurement focus applied.

The budgeting treatment applied to a fund is determined by its measurement focus. All Governmental Funds are budgeted for on a spending or "current financial flow" measurement focus. This means that only current assets and current liabilities are generally recognized. "Current" for the Balance Sheet (assets/liabilities) measurement means that which will be received or paid within the next year. Non-Governmental Funds (Enterprise and Internal Service Funds) are budgeted for on a cost of services or "economic resources" measurement focus. This means that all assets and all liabilities (whether current or non-current) associated with their activity are included on their balance sheets. Regardless of the measurement focus, depreciation is not budgeted.

All Governmental Fund budgets are based on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available and qualify as current assets. Taxes and special assessments are accrued as receivables if they are received within 60 days after the fiscal year end. Principal revenue sources susceptible to accrual include property taxes, sales taxes, franchise taxes, special assessments, and interest on investments. Furthermore, expenditures are recorded when current fund liabilities are incurred (i.e. capital acquisitions, bond issuance costs, etc. are expensed and they are not capitalized and depreciated or amortized over the life of the assets). Exceptions to this general rule include: (1) the long-term portion of accumulated unpaid vacation; and (2) principal and interest on general long-term debt which are recognized when due.

All Enterprise and Internal Service Fund budgets are based on the accrual basis of accounting. Under the accrual basis, revenues are recorded when earned and expenses are recorded when the related liability is incurred. The city applies all applicable Governmental Accounting Standards Board (GASB) pronouncements to proprietary funds. Pronouncements of the Financial Accounting Standards Board (FASB) are applied if issued on or before November 30, 1989 and do not conflict with GASB pronouncements.



## REVENUE & TAXATION

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Sandy City is funded through two categories of revenue: taxes and fees. Tax revenue is primarily used to pay for services provided to the public in general such as police, fire, streets, and parks. The city also provides services that benefit specific groups of citizens for which a specific fee is charged which is intended to pay for all or part of the costs incurred to provide that service. The city follows the revenue policies below:

### REVENUE POLICIES

- Sandy City should estimate revenues conservatively to avoid unexpected deficits and to provide a funding source for Capital Project needs.
- Sandy City should minimize the use of one-time revenue to fund on-going services.
- Sandy City should aggressively collect all revenues or taxes due.
- Sandy City should annually review user fees, impact fees, license and permit fees, and special assessments:
  - To determine that the full long-term service costs are not being subsidized by general revenues or passed on to future generations of taxpayers.
  - To determine the subsidy level of some fees.
  - To consider new fees.
- Sandy City should waive or defer fees only in accordance with the administrative appeal procedure under standards set by the City Council. All fees waived or deferred must be documented and submitted to the City Treasurer. Any fee determined to be uncollectible must be approved to be written off by the Finance Director.
- Sandy City should seek to maintain a stable tax rate. Generally, taxes should not be increased unless:
  - Inflation has clearly forced operating costs upward faster than tax growth.
  - New services are instituted to meet citizens' needs.

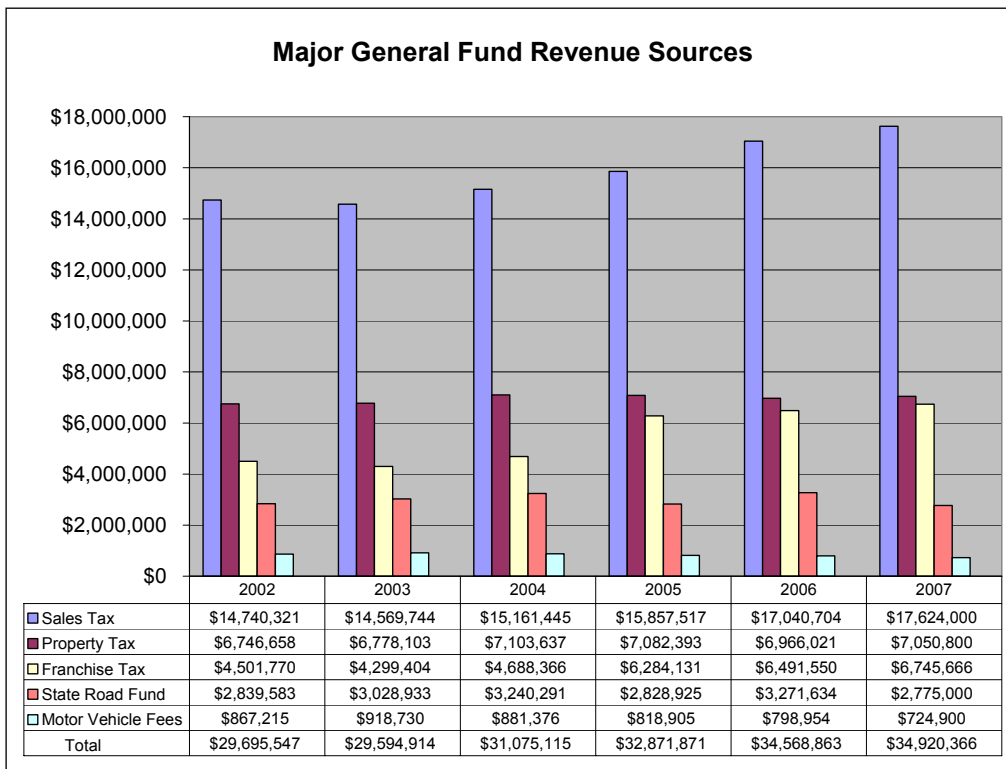
### REVENUE ANALYSIS

**User Fees** – User fee revenue will be discussed in the section corresponding to the department that provides the service funded by the fee. User fees are based on an analysis of how much of the cost should be covered by the fee versus how much should be subsidized by general taxes and revenue. Factors considered in the analysis include:

- How the fees compare with those charged by other cities,
- Whether the service benefits the general public versus an individual user, and
- Whether the same service can be offered privately at a lower cost.

**General Taxes & Revenue** – The remainder of this section will provide information on the major tax revenue sources used to fund the city's general government services. Each source will have information on:

- How the tax is calculated,
- Significant trends,
- Underlying assumptions for the revenue estimates, and
- A look at how Sandy's taxes compare with similar jurisdictions.



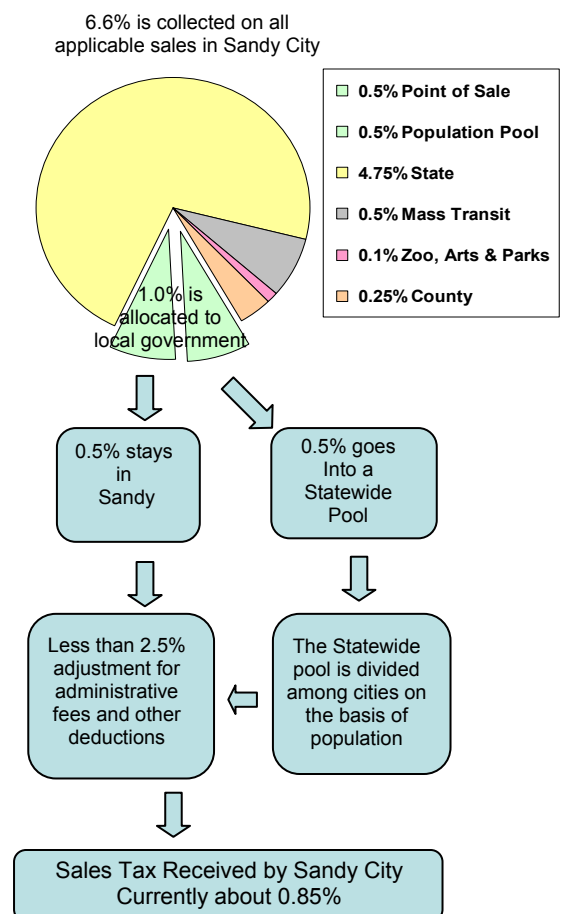
The above chart shows the six-year trend for those revenue sources classified as general taxes and revenue as well as the receipts for state road funds. In total, these five sources comprise nearly 82% of the general fund revenue. It is important to maintain balance among major revenue sources. Sales tax revenue fluctuates more with the economy than the other revenue sources. Because Sandy has been in a growth mode for the past 30 years, much of the fluctuation caused by the economy has been mitigated. As the city approaches maturity, balance among revenue sources will become even more important. The chart above shows that while sales tax and franchise tax have increased in recent years, property tax, state road funds, and motor vehicle fees have remained relatively stable or have declined. The reasons for these shifts are outlined in the sections that follow.

## SALES TAX

Sales tax is Sandy City's largest revenue source contributing almost 41% of general fund revenue. State law authorizes cities to receive sales tax revenue based on the process described in the chart shown here. Sales tax revenue is forecasted by the finance department using a qualitative method which makes assumptions about each of the relevant factors in this distribution model. Trends in each of the relevant factors were analyzed as follows:

**State Law** – No changes in the rates specified in state law are anticipated.

**Population Data** – Changes in population data can have a significant impact on sales tax revenue. Since the 2000 census, population growth in Sandy has been slower than the state as a whole. As a result, each time the State Tax



Commission uses new population estimates to distribute sales tax revenue, Sandy gets a smaller slice of the pie. The estimates for FY 2007 assume that the State will use new population estimates beginning with the September distribution that continue to assume slower population growth in Sandy.

**Statewide Sales** – With half of the sales tax revenue coming from the statewide pool, the amount of statewide sales is a major factor in the estimate. Statewide sales showed little growth or a decline in FY 2002 and FY 2003 but began to turn around midway through FY 2004. For calendar year 2006, the economist for the State Tax Commission predicts a 6.1% growth in retail sales in Utah. The Sandy City budgeted forecast assumes a conservative 5% growth for FY 2006-07.

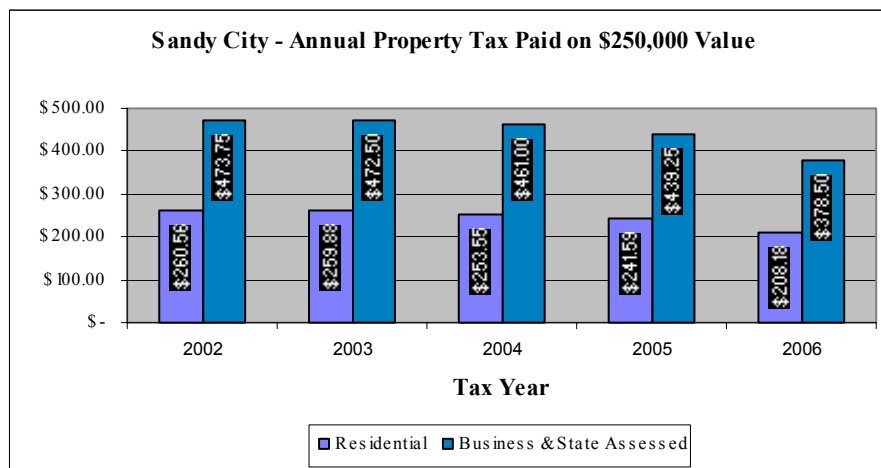
**Sandy City Sales** – With the other half of sales tax revenue deriving directly from sales made in Sandy, it is important to project separately the growth in retail sales made in Sandy. Sandy sales have generally grown at a faster rate than sales statewide but as was the case with population growth, that trend was reversed in FY 2004 and since then, Sandy sales have grown at a slower pace than sales statewide. Even with some anticipated new retail in FY 2007, Sandy sales are forecasted to grow by a modest 4.0%.

## PROPERTY TAX

Property tax is Sandy City's second largest source of tax revenue accounting for about 16% of general fund revenue.

The following chart shows historical tax rates for the city and how they relate to an average \$250,000 property. Residential properties are taxed at 55% of the value, while business and state assessed properties are taxed at 100% of the value.

	Tax Year 2002	Tax Year 2003	Tax Year 2004	Tax Year 2005	Tax Year 2006
<b>Tax Rate:</b>					
General Fund	0.001730	0.001725	0.001683	0.001603	0.001381
Debt Service Fund	0.000071	0.000071	0.000069	0.000066	0.000057
Risk Management Fund	0.000094	0.000094	0.000092	0.000088	0.000076
<b>Total Tax Rate</b>	<b>0.001895</b>	<b>0.001890</b>	<b>0.001844</b>	<b>0.001757</b>	<b>0.001514</b>
<b>Property Tax on \$250,000 Home</b>	<b>\$ 260.56</b>	<b>\$ 259.88</b>	<b>\$ 253.55</b>	<b>\$ 241.59</b>	<b>\$ 208.18</b>
<b>Property Tax on \$250,000 Business or State Assessed Property</b>	<b>\$ 473.75</b>	<b>\$ 472.50</b>	<b>\$ 461.00</b>	<b>\$ 439.25</b>	<b>\$ 378.50</b>

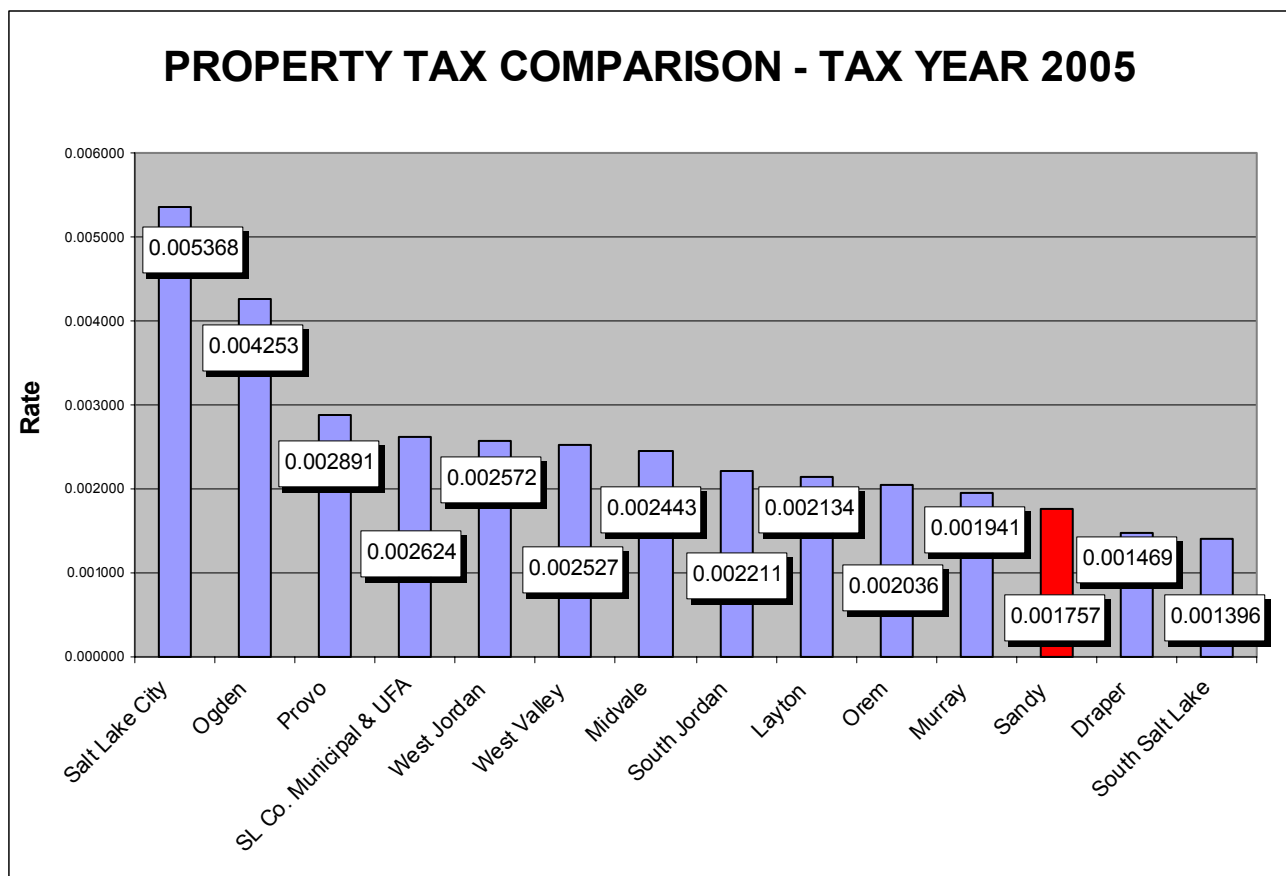


It should be noted that the Alta Canyon Recreation Center, which is managed and operated by Sandy City, also levies a property tax. By virtue of its status as a special district this tax is separate from the Sandy City property tax. The Alta Canyon Recreation Board has recommended a 20% property tax increase which was approved by the City Council pending a truth in taxation hearing scheduled for August 8, 2006.

**Truth in Taxation** – In order to understand property tax in Utah it is necessary to understand a section of Utah Law known as “Truth in Taxation.” The county is responsible for administering property taxes and each June they submit to the cities a certified tax rate that would generate the same amount of revenue as the previous year plus any new growth. The certified tax rate does not provide for additional tax revenue due to increased valuation of existing property. If the city chooses to adopt a tax rate higher than the certified rate, state law has very specific requirements for newspaper advertisements and public hearings from which the name “Truth in Taxation” is derived.

**Revenue Projections** – The relevant factors in the preliminary property tax forecast include the tax rate and new growth. According to state statute, the adopted tax rate and budgeted revenue is provided by the Salt Lake County Auditor’s Office in June.

**Property Tax Rate** – Sandy City’s property tax rate is modest when compared to its neighboring cities and similar sized cities in Utah as illustrated in the chart below. The FY 2007 budget does not include an increase in the tax rate.



**New Growth** – New growth is initially estimated using a trend analysis and using a report of new construction generated by the city’s Building Division. Since the growth number used in the final budget must be the county’s, adjustments are made as needed.

## FRANCHISE TAX

Franchise Taxes are the third largest source of General Fund Revenue generating just under 16% of general fund revenue. State law authorizes cities to collect up to 6% on utilities operating within city boundaries. The relevant factors in forecasting franchise fee revenue are as follows:

**Tax Rate** – Sandy City charges a 6% franchise tax to the electric utility, the natural gas utility, and for cable television. A new law became effective July 1, 2004 for telecommunication utilities. Until now, the franchise fee applied only to telecommunication utilities that ran over land lines. Now telecommunication services that run both over land lines and over wireless networks all pay a 4% franchise tax. The result has been a significant increase in the telecommunications franchise receipts primarily because the volume of wireless revenue exceeded projections.

**Utility Rate** – Changes in utility rates affect the revenue collected by the utility and therefore the amount of tax remitted to the city. Utility rates are regulated by the Public Service Commission. It has not been uncommon to experience rate decreases as well as increases. Any announced rate changes are factored into the revenue projections. The projections assume a 3.8% increase for PacifiCorp that went into effect on March 1, 2006 and a 20.3% increase for Questar that went into effect on November 1, 2005 followed by an 8.0% decrease that went into effect on February 1, 2006.

**State Law** – Legislation was enacted during the 2006 session that will limit the growth that cities will realize from the franchise tax on natural gas. Growth for 2006 and 2007 will be limited to 10% of the base amount cities received in 2005. The FY 2007 forecast takes this mandate into account.

**Usage** – Utility revenue is sensitive to changes in usage. The electric and natural gas utilities can be affected in particular by the weather. The projections take weather variations into account and assume a normal weather pattern. The size of households also has some affect on utility usage. The average household size in Sandy has decreased in recent years which has resulted in reduced usage.

## MOTOR VEHICLE FEES

Motor vehicle fees account for just under 2% of general fund revenue. The fee is a personal property tax for passenger cars and light trucks. It is a uniform fee based on the age of the vehicle. The fee is applicable to passenger cars, light trucks (including sport utility vehicles), and vans. These fees are due at the time of registration, even on new vehicles and vehicles that are registered more than once during a given year. The fees are as outlined in the table:

The fees collected are transmitted to the county where they are distributed to the taxing jurisdictions in proportion with the property tax revenue. As a result, the distribution is affected by changes in tax rates and growth in other jurisdictions. Other county jurisdictions have increased property taxes while Sandy has not. The result is that Sandy has received a smaller portion of the available motor vehicle fees. A qualitative method is used to project revenue based on past trends.

Age of Vehicle	Equivalent Tax
Less than 3 years	\$150
3 or more years but less than 6 years	\$110
6 or more years but less than 9 years	\$80
9 or more years but less than 12 years	\$50
12 or more years	\$10

Source: Utah Department of Motor Vehicles Website

## STATE ROAD FUNDS

State Road Funds generate 6% of general fund revenue. This revenue source is the city's share of the B & C Road Fund administered by the Utah Department of Transportation. This fund receives 25% of the revenue collected from state highway user taxes and fees with the primary source being the \$0.245 per gallon tax levied on motor fuel. Additionally the fund receives 1/16% of the state sales tax. Sandy City

receives its allocation through a formula weighted 50% on the city's proportion of the state's population and 50% on the city's proportion of the state's road miles. The chart below illustrates that the money received from the state road fund is sufficient to cover about 25% of the road related costs. In fact, the streets budget alone is more than the revenue received from state road funds.

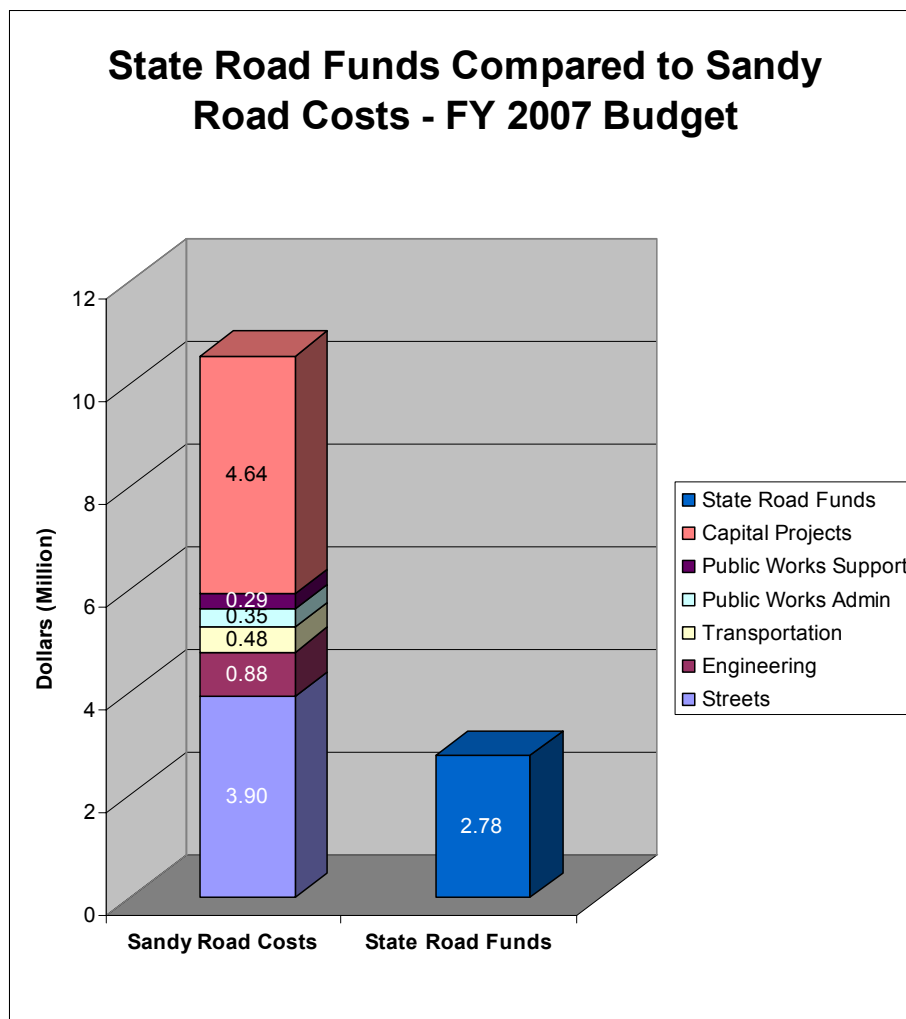
Though generated primarily through taxes, state road funds are limited in use and therefore not classified, for purposes of this budget book, among general taxes and revenue. However, it is a significant enough revenue source to merit further explanation here.

A qualitative method is used to forecast State Road Funds based on trends for each of the following factors used in the formula: population, road miles, and available road funds.

**Population** – As discussed earlier in the sales tax section, the FY 2007 estimate assumes a small decrease in Sandy's population as a percent of the statewide population. Sandy's population has been growing slower than the state as a whole since the 2000 census even though it had grown more rapidly than the state for many years previously. This trend is the result of a demographic shift to smaller household sizes and to the greatly diminished amount of land that can still be developed.

**Road Miles** – Also attributable to the slowing in development relative to the rest of the state, the city's proportion of road miles is in slow decline. The forecast reflects this trend.

**Available B&C Road Funds** – Gas tax revenue is based on consumption rather than the price of fuel. In reality, an increase in fuel prices can result in lower consumption. The assumption for growth in available B & C Road funds is 3.9%.



## DEBT

Sandy City uses debt judiciously consistent with the policies listed below. The city currently enjoys an Aa+ bond rating from Standard's and Poor's for sales tax revenue bonds. This rating allows the city to issue bonds at a lower rate than governmental agencies with a less favorable bond rating. Only 3% of cities nationwide receive the Aa+ rating. The FY 2007 budget includes \$3.2 million of debt service payments. As of June 30, 2007 the outstanding debt will be about \$33 million. No new debt issues are anticipated during FY 2007. The schedule below includes the general debt of the city as pertaining to the governmental funds. Debt incurred by the proprietary funds is included in the departmental sections. Currently the Water and Golf funds have outstanding issues.

### DEBT POLICIES

- Sandy City should combine pay-as-you-go strategy with long-term financing to keep the debt burden low.
- Sandy City should seek to maintain or improve the city bond rating, currently "Aa+."
- Sandy City should seek the most practical and cost efficient financing available.

### OUTSTANDING GENERAL DEBT ISSUES

	Funding Source	Matures In:	Debt Service - FY 2007			Outstanding (6/30/2007)
			Principal	Interest	Total	
3108 1996 Road Bonds	General Fund RDA - Civic Ctr. So. RDA - Civic Ctr. No.	FY 2007	165,000	2,269	167,269	-
3107 Equipment Lease	Fleet Fund	FY 2007	89,811	2,425	92,236	-
3103 U of U Lease Revenue Bonds	Building Rental	FY 2007	160,000	2,200	162,200	-
31010 2000 Road Bonds	RDA - South Towne RDA - Civic Ctr. So.	FY 2010	655,000	190,814	845,814	3,050,000
3102 City Hall GO Bonds	Property Tax General Fund	FY 2012	600,000	129,025	729,025	3,050,000
3104 Sr. Citizens Section 108 Loan	CDBG Fund	FY 2015	125,000	113,026	238,026	1,595,000
31011 Storm Water Drainage Bonds	Storm Water Fund	FY 2017	580,000	342,596	922,596	7,460,000
3106 Innkeeper Bonds	Innkeeper Fees General Fund	FY 2020	297,025	266,467	563,492	6,466,357
3109 Park Project Bonds	RDA - Civic Ctr. So.	FY 2020	427,975	383,945	811,920	7,703,643
31013 Court Building Bonds	General Fund	FY 2024	150,000	150,993	300,993	3,625,000
Total			\$ 3,249,811	\$ 1,583,760	\$ 4,833,571	\$ 32,950,000

A description of each of the city's debt issues follows:

**Fund 3102 – City Hall Bonds** – On December 15, 2005, the city issued \$3,650,000 in General Obligation Refunding Bonds. This issue is formally referred to as the 2005 General Obligation and Refunding Bonds. These funds were used for the purpose of refunding the 1995 General Obligation and Refunding Bonds which in turn refunded the 1991 Public Building and Refunding Bonds. The city has used general revenue and property tax as the primary funding source, which is more than sufficient for both the principal and interest.

**Fund 3103 – U of U Building Bonds** – On May 24, 1994, the Municipal Building Authority (MBA) issued \$2,325,000 in Lease Revenue Bonds. This issue is formally referred to as the 1994B Lease Revenue Bonds. These bonds were used to finance the acquisition of an educational facility (University of Utah continuing education), the funding of a Debt Service Reserve Fund, and the payment of costs of issuance for the bonds. The city will collect lease payments from the lessee to secure the bonds.

**Fund 3104 – Section 108 Loan** – On June 6, 1996, the city issued a \$2,515,000 note, guaranteed by the Secretary of Housing and Urban Development (HUD). This note was acquired for payment of the Senior Citizen Center located within city boundaries at 9310 South 1300 East.

**Fund 3106 – Innkeeper Bonds** – On December 1, 1998, the MBA issued \$7,840,000 in Lease Revenue Bonds. This issue is formally referred to as the 1998C MBA Lease Revenue and Refunding Bonds. These funds were used to finance the construction of the amphitheater and Lone Peak Park as well as to refund the 1998B Lease Revenue Bonds. The city's intent is to use the innkeeper tax as the primary funding source. This tax alone is inadequate, so the general fund will make up the difference. The MBA makes the debt service payments from the proceeds of a master lease with Sandy City. In fiscal year 2005, this issue was refunded with the Series 2004 Sales Tax Revenue and Refunding Bonds.

**Fund 3107 – Equipment Lease** – This fund is used to purchase equipment and golf carts for the River Oaks Golf Course.

**Fund 3108 – 1996 Road Bonds** – On December 1, 1996, the city issued \$9,750,000 in Motor Fuel Excise Tax Revenue Bonds. The issue is formally referred to as the 1996 Motor Fuel Excise Tax Revenue Bonds. These funds were used to finance the costs of certain projects related to the construction and improvements to certain streets located within the city's boundaries. The remaining balance was used to fund a debt service reserve fund for the bonds. The issue is funded solely from Class C Road Funds given to the city. These Class C Road Funds consist primarily of certain motor fuel excise taxes levied and collected by the State of Utah and apportioned to the city pursuant to applicable Utah law. On August 15, 2003, this issue was refunded with the Series 2003 Sales Tax Revenue and Refunding Bonds.

**Fund 3109 – Parks Projects Bonds** – On December 7, 1999, the MBA issued \$9,780,000 in Lease Revenue Bonds. This issue is formally referred to as the 1999 MBA Lease Revenue Bonds. These funds were used to purchase and improve 53 acres of land for use by the city as a park and also for improvements to the Lone Peak Park. A grant was also received for approximately \$2,000,000 to aid in the purchase of the land. The MBA makes the debt service payments from the proceeds of a master lease with Sandy City. The lease payments are currently paid by the Civic Center South Redevelopment Agency through the "haircut" provision that allows RDA money to be used for these purposes. In 1999, the law was changed to allow RDA funds to be used for parks projects that are part of a master plan. In fiscal year 2005, this issue was refunded with the Series 2004 Sales Tax Revenue and Refunding Bonds.

**Fund 31010 – 2000 Road Bonds** – On March 7, 2000, the city issued \$7,075,000 in Motor Fuel Excise Tax Revenue Bonds. This issue is formally referred to as the 2000 Motor Fuel Excise Tax Revenue Bonds. These funds were used to construct and improve streets located within the city's boundaries. The pledge for this issue is the Class C Road Funds which consist primarily of certain motor fuel excise taxes levied and collected by the State of Utah and apportioned to the city pursuant to applicable Utah law. However, RDA tax increment funding (Civic Center South) and haircut funding (Civic Center North) is currently being used to service the debt.

**Fund 31011 – Storm Water Drainage Bonds** – On February 15, 2002, the city issued \$10,180,000 in Sales Tax Revenue Bonds. This issue is formally referred to as the 2002 Sales Tax Revenue Bonds. These funds were issued to finance the costs associated with acquiring, constructing, and equipping certain storm drain improvements and bond issuance costs. The city's intent is to repay the bonds with the storm water fees charged on the utility bill and use the sales and use tax as the pledge for this issue. Sales and use taxes are collected by the Utah State Tax Commission and distributed monthly to the city, as provided by law.

**Fund 31013 – Justice Court Building Bonds** – On August 15, 2003, the city issued \$7,225,000 in Sales Tax Revenue Bonds. This issue is formally referred to as the 2003 Sales Tax Revenue and Refunding Bonds. The funds were used to finance the acquisition of a justice court building, and to refund the 1996 Motor Fuel Excise Tax Revenue Bonds. The pledge for this issue is the sales and use tax which is collected by the Utah State Tax Commission and distributed monthly to the city, as provided by law.



# COMPUTATION OF LEGAL DEBT MARGIN - JUNE 30, 2005

## Assessed Valuation:

Primary Residential	\$ 2,953,939,632
All Other	<u>1,528,684,555</u>
Total Assessed Valuation	<u>\$ 4,482,624,187</u>
Reasonable Fair Cash Value	<u>\$ 6,919,830,111</u>

	GENERAL - 4%	WATER AND SEWER - 4%	TOTAL - 8%
Debt Limit -			
8% of Reasonable Fair Cash Value (1)	\$ 276,793,204	\$ 276,793,204	\$ 553,586,408
Less Outstanding General Obligation Bonds	4,225,000	0	4,225,000
Debt Margin	<u>\$ 272,568,204</u>	<u>\$ 276,793,204</u>	<u>\$ 549,361,408</u>

## Notes:

- (1) The general obligation bonded debt of the City is limited by the Utah Constitution (Section 14, Paragraph 4) to 8% of the "reasonable fair cash value" of property. Of this percent, a maximum of 4% may be used for general purposes. The remaining 4% and any unused portion of the 4% available for general purposes up to the maximum 8% may be utilized for water and/or sewer purposes.

Source: Salt Lake County Auditor's Office

## CAPITAL BUDGET

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The FY 2007 budget includes nearly \$20.9 million for capital expenditures. The capital budget includes expenditures for land, buildings, and infrastructure related to roadways, parks, water, storm drainage, and street lighting. By policy, a capital expenditure is for an asset that is tangible in nature with a useful life of more than two years. Additionally, a capital expenditure must meet the following capitalization thresholds:

Land	\$ 0
Buildings	\$15,500
Improvements Other Than Buildings	\$15,000
Utility Plant in Services	\$15,500
Office Furniture and Equipment	\$ 7,500
Machinery and Equipment	\$ 7,500
Automobiles and Trucks	\$ 7,500
Infrastructure & Capital Improvements	\$15,000

Expenditures that do not meet the above thresholds are budgeted in the operating budget as equipment, improvements, or supplies.

Capital projects are categorized as replacement or expansion projects. Replacement projects are routine in nature and involve the replacement or upkeep of existing assets. On-going commitment to replacement projects is important to the vitality and stability of the city. Expansion projects add to the asset base of the city and often result from policy decisions. Expansion projects also generally have an impact on the operating budget either in terms of additional personnel, maintenance, utility, or other costs; or potentially in terms of additional revenue or operating savings. The departmental sections of this book divide capital projects into these two categories and provide information on the above issues in the narratives.

The City Council provides oversight for the capital budget. They review and adopt the budget in this book. Additionally, they review and approve the carryover of any unexpended funds in the prior year's budget. They also approve by resolution any budget adjustment at the project level during the year for all capital projects in governmental funds. The City Council also reviews and approves all master plans. The following is a summary of the master plans that influence the capital budget:

- **Water** – Highlights of this plan include increasing the supply of available water by 5,060 acre feet, increasing the peak daily production capacity, increasing the storage capacity and providing for better flows for fire suppression in key areas. The plan also included a rate study to assure that revenue would be adequate to fund the needed improvements. The current master plan was originally adopted in 2000 and was updated in 2003. Additional information on how this plan helped shape the budget can be found in the Public Utilities section of this book.
- **Storm Water** – The city's storm water master plan was completed in August 1998. An objective of the plan was that all drainage facilities would convey the 10-year, 3-hour storm event with no flooding. The plan identified 112 projects totaling \$56.8 million. The projects were prioritized on the basis of existing flooding problems, project phasing, concurrent construction, and alternate funding sources. The plan also resulted in the implementation of a storm water fee that has generated an on-going revenue stream to begin funding these projects. Details on how this budget helps implement the plan can be found in the Public Utilities section of this book. The FY 2007 budget includes funding to update this plan.
- **Transportation** – The transportation master plan was last updated in September 1996. The plan looked at the existing road system and traffic volumes and projected future growth. The result was a recommended program of improvement projects that included short-, medium-, and long-

term projects as well as recommendations on work that needed to be performed on an annual basis. Funding is currently in place for an update of this plan.

- **Parks** – In August 2004, the city updated its 1996 parks, recreation, and trails master plan. Many elements of the original plan were accomplished including the acquisition of 150 acres of new developed parks, the acquisition of over 250 acres of new natural landscape parks and open space, and the acquisition of the River Oaks Golf Course. The 2004 update included a citizen survey which identified the following priorities: (1) remodeling, refurbishing, and updating current parks and facilities, (2) expanding the trail system, and (3) acquiring land for neighborhood and community parks. The projects funded in this budget reflect these priorities.
- **Other Master Plans** – Other master plans that will generate projects for future budgets include the Sandy Corners Plan and the South Town Promenade Plan. Sandy Corners is a commercial/retail area around 9400 South and 700 East. The stated goal of this plan is to create a walkable environment while promoting efficient traffic flow, transit connections, and economically viable businesses. The South Town Promenade is a wide street park connecting the South Towne Mall and Sandy City Hall. Elements of the plan include additional trees, landscape features, walkways, pedestrian lighting, and a wetland interpretive and education center.

The City Council also periodically reviews and adopts policies related to capital spending:

- **Road Condition** – The city's policy is to maintain at least 80% of its roadway system at a good or better condition and have no more than 10% in a substandard condition. The Public Works Department maintains a pavement management database that is used to document road conditions for planning purposes. Information on the city's performance and how the budget supports this policy can be found in the Public Works section of this book.

A summary schedule of the capital budget can be found on the following two pages. The individual department sections provide more detailed information including a budget breakdown by project, budgeted expenditures for the prior year, and a three-year plan for future expenditures. Also included is a description of each project which describes any impact on the operating budget in terms of additional operating costs or potential savings and the impact on revenue. The effect of capital projects on goals and performance indicators will also be evident.

## CAPITAL BUDGET - Summary by Department and Fund - FY 2007

Department/Project	Governmental Capital Projects					Other Governmental Funds	Governmental Activities - Internal Service Funds	Enterprise Funds		Total
	General Revenue	Impact Fees	Grants	State Road Funds	Court Surcharge			Water	Other Proprietary Funds	
<b>Administration (see page 48)</b>										<b>\$ 333,000</b>
1201 - Municipal Building	\$ 233,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	233,000
12801 - U of U Building Renovation	100,000	-	-	-	-	-	-	-	-	100,000
<b>Finance &amp; Information Svcs (see pages 94-95)</b>										<b>233,600</b>
64001 - General Equipment	-	-	-	-	-	-	52,200	-	-	52,200
64003 - Citywide GIS	-	-	-	-	-	-	32,000	-	-	32,000
64013 - Development Tracking Software	-	-	-	-	-	-	67,000	-	-	67,000
64025 - Wireless Network Radios	-	-	-	-	-	-	32,400	-	-	32,400
64026 - Data Switches	-	-	-	-	-	-	50,000	-	-	50,000
<b>Fire (see page 114, 116)</b>										<b>849,859</b>
12061 - Fire Station #32 Rebuild	641,464	132,970	-	-	-	-	-	-	-	774,434
Fire - Capital Equipment	-	-	-	-	-	75,425	-	-	-	75,425
<b>Public Works (see page 127-132)</b>										<b>5,923,558</b>
12091 - Public Works Building Security	40,000	-	-	-	-	-	-	-	-	40,000
12442 - Justice Center - Parking Lot	20,000	-	-	-	-	-	-	-	-	20,000
13035 - Traffic Calming	-	-	-	-	100,000	-	-	-	-	100,000
13082 - 20th East Corridor Acquisition	-	-	-	570,000	-	-	-	-	-	570,000
13121 - Wasatch Boulevard Trail	100,000	-	-	-	-	-	-	-	-	100,000
13166 - 9600 South Highland Drive Signal	75,000	-	-	-	-	-	-	-	-	75,000
13821 - Street Reconstruction	278,200	-	-	907,639	-	1,145,192	-	-	-	2,331,031
13822 - Hazardous Concrete Repair	100,000	-	-	-	87,500	141,000	-	-	-	328,500
13824 - 1300 East & Sego Lilly Intersection	27,000	-	-	-	-	-	-	-	-	27,000
13825 - 1300 East Improvements	1,742,027	-	-	-	-	-	-	-	-	1,742,027
13826 - Bridge Reconstruction	50,000	-	-	-	-	-	-	-	-	50,000
13828 - Hazardous Tree Replacement	10,000	-	-	-	-	-	-	-	-	10,000
13829 - 9000 South 700 East Intersection	10,000	-	-	-	-	-	-	-	-	10,000
13830 - 9000 South 450 West Intersection	20,000	-	-	-	-	-	-	-	-	20,000
13831 - 10600 South Overlay	200,000	-	-	-	-	-	-	-	-	200,000
13835 - 8600 South 700 - 1000 East	200,000	-	-	-	-	-	-	-	-	200,000
19001 - Subdivision Bonds - Misc.	100,000	-	-	-	-	-	-	-	-	100,000
<b>Fleet Purchases (see page 139)</b>	-	-	-	-	-	-	2,086,004	-	-	<b>2,086,004</b>
<b>Parks &amp; Recreation (see pages 149, 151-154)</b>										<b>1,476,988</b>
12802 - Parks & Recreation Building Replacement	100,000	-	-	-	-	-	-	-	-	100,000
13029 - Streetscapes / Wall Replacements	150,000	-	-	-	-	-	-	-	-	150,000
14018 - Trail and Trail Head	-	33,525	-	-	-	-	-	-	-	33,525
14034 - Lone Peak Park	-	95,000	-	-	-	-	-	-	-	95,000
14035 - 9400 South 1300 East Park	300,000	-	-	-	-	-	-	-	-	300,000
14050 - Quail Hollow Park	-	150,000	-	-	-	-	-	-	-	150,000
14066 - Urban Fishery	-	96,163	-	-	-	-	-	-	-	96,163
14803 - Flat Iron Mesa Park	393,000	-	-	-	-	-	-	-	-	393,000
14813 - Falcon Park - Parking Lot	51,300	-	-	-	-	-	-	-	-	51,300

## CAPITAL BUDGET - Summary by Department and Fund - FY 2007

Department/Project	Governmental Capital Projects					Other Governmental Funds	Governmental Activities - Internal Service Funds	Enterprise Funds		Total
	General Revenue	Impact Fees	Grants	State Road Funds	Court Surcharge			Water	Other Proprietary Funds	
14824 - Cemetery Road Replacement	31,500	-	-	-	-	-	-	-	-	31,500
14836 - Bell Canyon Park - Parking Lot	67,500	-	-	-	-	-	-	-	-	67,500
Parks - Capital Equipment	-	-	-	-	-	9,000	-	-	-	9,000
<b>Alta Canyon - Capital Equip. (see page 167)</b>	-	-	-	-	-	-	-	-	15,920	<b>15,920</b>
12450 - Replace Two Boilers	12,600	-	-	-	-	-	-	-	29,400	<b>42,000</b>
<b>Golf - Capital Equipment (see page 173)</b>	-	-	-	-	-	-	-	-	46,500	<b>46,500</b>
14059 - River Oaks Golf Course Improvements	161,008	-	-	-	-	-	-	-	238,992	<b>400,000</b>
<b>Community Development (see pages 179)</b>	-	-	-	-	-	-	-	-	-	<b>25,000</b>
19036 Neighborhood Preservation Initiative	25,000	-	-	-	-	-	-	-	-	25,000
<b>Public Utilities</b>	-	-	-	-	-	-	-	-	-	-
<b>Water (see pages 204-207)</b>	-	-	-	-	-	-	-	-	-	<b>8,072,352</b>
51001 - Water Meters (New Construction)	-	-	-	-	-	-	-	40,000	-	40,000
51003 - Pipe Overage	-	-	-	-	-	-	-	10,000	-	10,000
51042 - Purchase of Water Stock	-	-	-	-	-	-	-	150,000	-	150,000
51063 - Metro Capital Assessment	-	-	-	-	-	-	-	4,210,322	-	4,210,322
51067 - Auxiliary Power - Phase 1 & 2	-	-	-	-	-	-	-	200,000	-	200,000
51078 - Metro Water Rights Purchase	-	-	-	-	-	-	-	691,467	-	691,467
51086 - Aquifer Storage & Recovery	-	-	-	-	-	-	-	232,500	-	232,500
51087 - Little Cottonwood Well Building Improvements	-	-	-	-	-	-	-	207,000	-	207,000
51088 - Zone 5 Tank Vault Drain Line	-	-	-	-	-	-	-	30,000	-	30,000
51801 - Hydrant Replacement	-	-	-	-	-	-	-	25,000	-	25,000
51802 - Replace / Lower Service Lines	-	-	-	-	-	-	-	15,000	-	15,000
51811 - Replace Mainlines	-	-	-	-	-	-	-	1,015,175	-	1,015,175
51821 - Replace Well Equipment	-	-	-	-	-	-	-	100,000	-	100,000
51822 - Replace / Repair Water Tanks	-	-	-	-	-	-	-	250,000	-	250,000
Water - Capitalized Labor and Material & Supplies	-	-	-	-	-	-	-	883,488	-	883,488
Water - Capital Equipment	-	-	-	-	-	-	-	12,400	-	12,400
<b>Storm Water (see pages 211-212)</b>	-	-	-	-	-	-	-	-	-	<b>967,669</b>
55059 - 8000 South Outfall Line	-	-	-	-	-	110,949	-	-	-	110,949
55065 - Quarry Bend Detention Pond	-	-	-	-	-	50,094	-	-	-	50,094
55066 - Seven Springs / Middle Fork Drainage Project	-	-	-	-	-	100,000	-	-	-	100,000
55067 - 1650 East & 10600 South Drainage Project	-	-	-	-	-	158,400	-	-	-	158,400
55801 - Raise Storm Drain Manholes	-	-	-	-	-	52,000	-	-	-	52,000
55802 - Neighborhood Projects	-	-	-	-	-	100,000	-	-	-	100,000
Storm Water - Capitalized Labor and Material & Supplies	-	-	-	-	-	319,826	-	-	-	319,826
Storm Water - Capital Equipment	-	-	-	-	-	76,400	-	-	-	76,400
<b>Electric - Capital Equip. (See pages 215-216)</b>	-	-	-	-	-	3,400	-	-	-	<b>3,400</b>
19013 - Underground Power Lines	395,500	-	-	-	-	-	-	-	-	<b>395,500</b>
<b>Non-Departmental (see page 228)</b>	-	-	-	-	-	-	-	-	-	<b>78,000</b>
11099 - Land Purchase Contingency	78,000	-	-	-	-	-	-	-	-	78,000
<b>Total Capital Projects</b>	<b>\$ 5,712,099</b>	<b>\$ 507,658</b>	<b>\$ -</b>	<b>\$ 1,477,639</b>	<b>\$ 187,500</b>	<b>\$ 2,341,686</b>	<b>\$ 2,319,604</b>	<b>\$ 8,072,352</b>	<b>\$ 330,812</b>	<b>\$ 20,949,350</b>

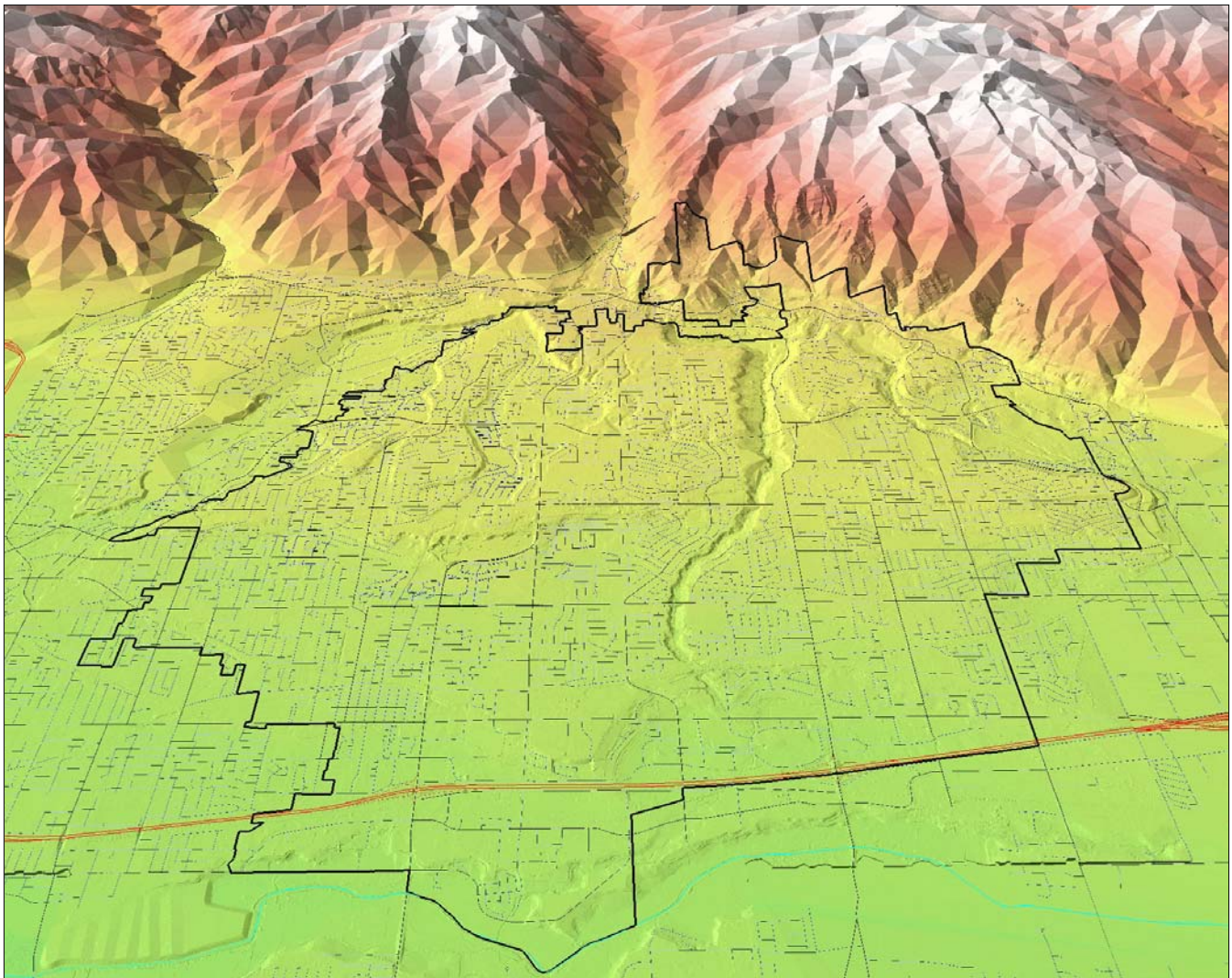
## COMMUNITY PROFILE

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Sandy City is Utah's fourth largest city. The nearby Wasatch Mountains provide water, recreational opportunities, and a scenic backdrop. The I-15 corridor and TRAX light rail line on the west side of the city provide both access to downtown Salt Lake City and the opportunity to be a commercial center for the south end of the valley.

Sandy experienced tremendous growth both in land area and population during the past thirty years. Annexation of previously unincorporated land has resulted in growth from 6.6 square miles in 1970 to nearly 23 square miles today. Annexations combined with new construction resulted in population growth from 6,438 to 90,096 in that same time period. Many of the new homes built during the 70's and the 80's were bought by young families which resulted in one of the lowest median ages in the nation. In recent years, the population has aged as many of the children in the young families have grown and left home. The median age of Sandy City grew from 20.3 years in 1980 to 29.1 years in 2000. This demographic shift has had an affect on the city budget in such areas as declining participation in recreation programs and a reduced rate of growth in both sales tax revenue and state road funds which are based partially on population.

Commercial growth, however, continues along the I-15 corridor which in turn continues to fuel a strong economy and tax base and provides job opportunities for residents.



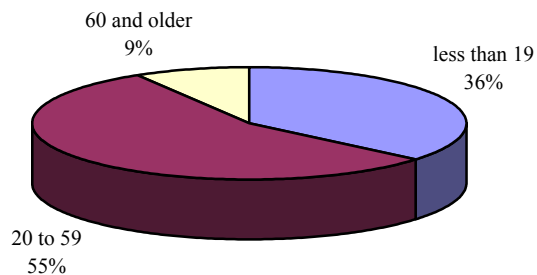
Sandy City border on a relief map produced by Sandy GIS staff (view is facing east; I-15 is shown in red)

## COMMUNITY PROFILE (cont.)

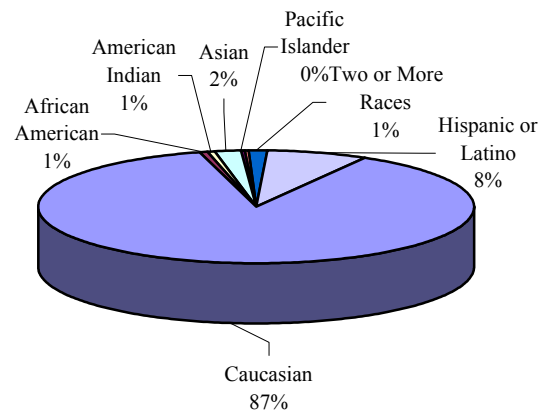
<b>Date of Incorporation</b>	1893
<b>Form of Government</b>	Council - Mayor
<b>Median Family Income</b>	\$ 70,801
<b>Unemployment Rate (2003)</b>	4.30%

<b>Year</b>	<b>Population</b>	<b>Median Age</b>	<b>Area in Sq. Miles</b>
1950	2,095	-	1.3
1960	2,322	-	1.3
1970	6,438	20.3	6.6
1980	52,210	20.3	18.6
1990	75,058	22.9	20.3
2000	88,551	29.1	22.35
2005	93,096	29.1	22.81

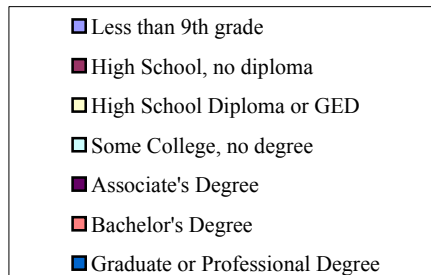
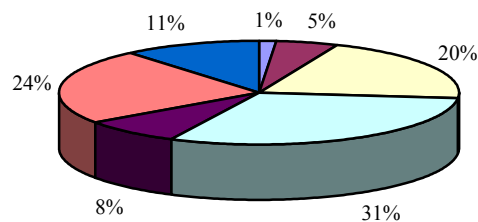
**Sandy Population by Age**



**Sandy Population by Race**



**Sandy Educational Attainment**



## COMMUNITY PROFILE (cont.)

2004 Labor Force	Avg. Annual	
	Wage	Employees
Finance, Insurance & Real Estate	37,660	2,361
Information	32,157	822
Trade, Transportation & Utilities	31,980	9,063
Manufacturing	44,852	2,640
Construction	33,983	3,070
Mining	-	-
Government	25,002	5,420
Services	28,456	13,458
	31,123	36,834

Source: Utah Department of Workforce Services

Building Permits		
Cal. Year:	Commercial	Residential
1995	23	714
1996	52	238
1997	66	437
1998	45	213
1999	45	167
2000	30	182
2001	36	166
2002	30	168
2003	35	177
2004	20	114
2005	43	155

Top Ten Property Taxpayers		2004 Assessed	% of Total
Taxpayer	Type of Business	Property Valuation	Assessed Valuation
Lawrence & Karen Miller	Auto Mall/Business Complex	\$ 100,689,560	2.25%
Macerich Co.	Real Estate Investment Trust	95,871,800	2.14%
Pacificorp	Electric Utility	34,353,110	0.77%
SSR Western Multifamily LLC	Apartment Complex	28,012,930	0.62%
The Boyer Company	Commercial & Office Development	27,196,300	0.61%
Qwest Communications	Telephone Communications	24,863,740	0.55%
Workers Compensation Fund	Insurance Company	24,437,200	0.55%
Magna Investment	Commercial & Office Development	19,025,500	0.42%
Mariemont Corp.	Sandy Mall	18,750,200	0.42%
Becton Dickinson & Company	Pharmaceutical Manufacturing	18,189,300	0.41%
Total		<u>\$ 391,389,640</u>	8.74%

Sources: Utah State Tax Commission and Salt Lake County Assessment Records

### Top Ten Sales Taxpayers

Costco  
 Super Target  
 Karl Malone Toyota  
 Larry H Miller Chrysler Jeep  
 Stockton to Malone  
 Riverton Motor  
 The Home Depot  
 Butterfield Ford  
 Best Buy  
 Tim Dahle Nissan